

UPI

STAT

March 4, 1981

UPI 13

R W

(SOVIET OIL)

WASHINGTON (UPI) -- A CONSUMER GROUP TODAY
INTELLIGENCE AGENCY TO OBTAIN DATA SUPPORTING
PREDICTIONS THAT THE SOVIET UNION WILL SOON
SCARCE WORLD OIL SUPPLIES.

ALTHOUGH CIA SOURCES AND METHODS ARE EXEMPT
THE FREEDOM OF INFORMATION ACT, THE SUIT CON-
BREACHED ITS OWN CONFIDENCE LAST SEPTEMBER WHEN
MEDIA ON THE SOVIET OIL OUTLOOK.

THE SUIT WAS FILED IN U.S. DISTRICT COURT
COLUMBIA BY THE AMERICAN CIVIL LIBERTIES FOR
ENERGY ACTION EDUCATIONAL FOUNDATION.

THE CONSUMER GROUP, WHICH FAVORS PETROLEUM PRICE AND ALLOCATION
CONTROLS, THINKS THE PUBLIC IS ENTITLED TO SEE THE CIA'S SUPPORTING
DATA BECAUSE AGENCY PROJECTIONS OF IMMINENT OIL SHORTAGE WERE PIVOTAL
IN THE DECISION TO PHASE OUT DOMESTIC OIL CONTROLS.

"THIS INFORMATION IS VITAL IN ORDER FOR THE PUBLIC TO BE ABLE TO
DETERMINE WHETHER OR NOT ANALYSES THE CIA IS MAKING REGARDING SOVIET
ENERGY DEVELOPMENTS ARE RELIABLE AND ADEQUATE," SAID EDWIN
ROTHSCHILD, DIRECTOR OF ENERGY ACTION. "TOO MANY TIMES, THE CIA HAS
MADE PREDICTIONS OF SOVIET OIL PRODUCTION DECLINES THAT HAVE NOT
PROVEN ACCURATE."

THE CIA HAS PROJECTED THAT THE SOVIET UNION, THE WORLD'S LARGEST
OIL PRODUCER AND A NET EXPORTER, WOULD BE FORCED TO COMPETE WITH THE
WEST IN AN INCREASINGLY TIGHT WORLD OIL EXPORTS MARKET BY ABOUT 1985.

IN THE PAST YEAR, HOWEVER, A SMALL GLUT HAS DEVELOPED ON THE WORLD
OIL MARKET AS U.S. IMPORTS AND OVERALL OIL CONSUMPTION STARTED TO
DECLINE.

ROTHSCHILD SAID HE WAS FORCED TO FILE THE DISCLOSURE SUIT "BECAUSE
THE AGENCY REFUSED TO PROVIDE US WITH THE SAME INFORMATION THEY
PROVIDED TO THE OIL & GAS JOURNAL AT A SECRET BRIEFING LAST
SEPTEMBER."

JOHN JEMNRICH, WASHINGTON EDITOR OF THE OIL AND GAS JOURNAL, SAID
HE ATTENDED THE CIA BRIEFING BUT WOULD NOT COMMENT ON THE CONTENT.

ROTHSCHILD SAID WHEN FORMER PRESIDENT CARTER AND HIS ENERGY
SECRETARY, JAMES SCHLESINGER, UNVEILED THEIR NATIONAL ENERGY PLAN IN
APRIL 1977 THEY "RELIED EXTENSIVELY" ON THE CIA PROJECTIONS OF A
COMING SHORTAGE AND DECLINING SOVIET PRODUCTION.

"WE HOPE THE INFORMATION THE CIA PROVIDED TO A SELECT GROUP OF
ANALYSTS AND REPORTERS LAST SEPTEMBER WILL PROVIDE THE PUBLIC WITH AN
INSIGHT AS TO HOW THE CIA ARRIVES AT ITS ESTIMATES OF SOVIET OIL
PROSPECTS," HE SAID.